

MALAYSIAN SUSTAINABLE PALM OIL PUBLIC SUMMARY AUDIT REPORT

CLIENT/COMPANY	PPB OIL PALMS BHD	AUDIT NO.	080_SABAHMASPOM/19
ADDRESS	KM 22, Jalan Sri Putatan, Off Jalan Dam, 91113, LahadDatu, Sabah Malaysia.		
TYPE OF ASSESSMENT	Main Audit		
GROUP MANAGER	Mr.Chin Woon Yee (Senior Mill Engineer)		
EMAIL ADDRESS	ppbop.smpom@my.wilmar-intl.com		
WEB PAGE	www.wilmar-international.com		
AUDIT STANDARD(S)	MS 2530-4:2013		
AUDIT SCOPE	Production of Crude Palm Oil and Palm Kernel with Mill Capacity 40 Mt/Hr		
STAGE 1 & 2 AUDIT DATE	29/3/2019		
PREVIOUS AUDIT DATE	-		
NEXT AUDIT DATE	Tentatively plan on March 2020		
OTHER CERTIFICATION HELD	RSPO, ISCC, HACCP, GMP, ISO22000		
CERTIFICATE VALIDITY	20/06/2018 to 19/06/2023		
AUDITOR TEAM MEMBERS	LEAD AUDITOR	MohdHairimiMohd Ali	
	AUDITOR	Mohd Amin Adrah	
	AUDITOR IN TRAINING	Wilton Bichin	

***These are your certification details.
Please inform us immediately if amendments are required.***

Audit Conclusion
Based on the documentation reviewed, records sampled, site visit and interview with relevant personnel's during this Transfer Cum Surveillance Audit, we conclude that, Sabahmas Palm Oil Mill, has effectively implemented its Malaysian Sustainable Palm Oil system in accordance to the MS 2530-4:2013 requirements in line with the organization procedure & policy for the above mentioned scope.
Recommendation
The audit team has agreed to recommend for Sabahmas Palm Oil Mill, to be awarded with MS 2530-4:2013Certifications based on existing scope on the conditions that the raised NCRs & OFIs are satisfactorily closed within the stipulated time framesubject to review by Certification Approval Panel (CAP).

Lead Auditor	MohdHairimiMohd Ali	Signature		Date	9/4/2019
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EXECUTIVE SUMMARY

Transfer cum surveillance audit for the first year annual surveillance audit was satisfactorily conducted to evaluate MSPO implementation at Sabahmas Palm Oil Mill, which located in LahadDatu District, Sabah Malaysia. It is about 45 minutes' drive from LahadDatu Airport to the mill. The mill function as MSPO certified crop receiver and processing the certified crop to produce certified CPO and PK. Audit team has verified the implementation by site inspection, interview with personnel for accessing their understanding towards the MSPO requirements and documentation checking.

The transfer cum surveillance audit has assessed the conformity status against the standard and confirmed that the mill's certified activities fall within the accredited scope of certification of NIOSH Certification. The mill has successfully maintained its management system as accordance with the standards and during transfer review, the Sabahmas Palm Oil mill's accredited certification is still valid in terms of authenticity, duration and scope of activities covered by the MSPO management systems. MSPO Certificates was issued previous certification bodies and valid until 19.06.2023, MSPO Cert No SGS-MSPO-MY18/1102977930. Based on previous report, there is no any pending non conformities raised.

The reason for seeking certification body transfer was to reduce the risks of certification by not only focusing the same certification body for auditing since the company was certified with different standards. Transfer of certification body was verified by the audit team.

NIOSH Certification is a certification body accredited by Standards Malaysia which providing a comprehensive certification services system mainly for management system of occupational safety and health, environment, quality and MSPO for various industries.

During the Closing Meeting held on 28th March 2019, the overall results of the audit are as follow:

- a. **NONE** – Major Nonconformity Report (NCR);
- b. **TWO (2)** – Minor Nonconformity Report (NCR); and
- c. **TWO (2)** – Opportunity For Improvement (OFI)

COMPANY BACKGROUND

The mill is under legal ownership of Sabahmas Plantations SdnBhd which is a subsidiary of PPB Oil Palms Berhad which is a member of Wilmar International Limited. The mill main function -Fresh Fruit Bunch (FFB) processing entity, producing Crude Palm Oil (CPO) and Palm Kernel (PK). The mill has commissioned operations since 19 October 2000 with processing capacity of 40mt/hr. The mill has installed a methane capture plant, a membrane covered lagoon to capture biogas generated for use in the biogas engine and flaring was commissioned in April 2017.

ASSESSMENT TEAM MEMBER

Lead Auditor	<p>Mohd. Hairimi</p> <p>Malaysian citizen (Fluent in Local Language) Graduated from University Kebangsaan Malaysia with a Masters of Social Science (Social and Environmental Impact Assessment) and Bachelor of Social Sciences with Honours (Geography). Registered as Environmental Auditor (EA 0101), Environmental Consultant (C 1105) with DOE Malaysia AC 1105, and certified on CESSWI 3756 (Certified Erosion Sediment and Storm Water Inspector). He was involved for past 10 years in environment auditing and in Environmental Impact Assessment Report (EIA and SIA).</p>
Auditor	<p>Mohd Amin Adrah</p> <p>He is previously the Head of Sabah Regional Office (Sandakan), NIOSH Malaysia with more than 5 years' experience in occupational safety and health including industrial hygiene. He holds a Bachelor Degree in Chemical Engineering (Biotechnology) from Universiti Malaysia Pahang. He is a registered competent person with the Department of Occupational Safety and Health (DOSH) Malaysia as (1) Chemical Health Risk Assessor and (2) Authorised Gas Tester/Entry Supervisor.</p> <p>He has provided trainings related to safety and health in the use of chemicals at work. Currently, he is conducting a Master research project entitled Dermal Exposure Assessment among Oil Palm Plantations' Pesticide Handlers in Kinabatangan, Sabah which is funded by Universiti Putra Malaysia. He has completed the OSHMS Lead Auditor Training and MSPO Auditor Training. He was able to communicate fluently in Bahasa Malaysia and English.</p>
Auditor in Training	<p>Wilton Bichin</p> <p>He holds a Diploma in Planting Industry Management from MARA Institute of Technology. He has more than 7 year experiences in oil palm industry during his working services.</p> <p>Currently as MSPO Auditor and consultant, he has successfully obtained competency of Auditor course for Malaysian Sustainable Palm Oil (MSPO 2530:2013). He attended Lead Auditor Course for Integrated Management System (IMS) conducted by Platinum ShauffmantzVeritas (PSV) in 2019. Involved in MSPO assessment since 2017 and conducting audits for different companies in Malaysia. Able to speak and understand well both Bahasa Malaysia and English.</p>

AUDIT METHODOLOGY & AUDIT PROGRAMME

The assessment was conducted involving SabahmasPalm Oil Mill with one audit day. The minimum manday has been justified as per ABC-OPMC 2 (Audit Duration for CB Operating Oil Palm Management Certification under MSPO scheme) for individual certification. The transfer cum surveillance assessment was cover documentation and records review, physical field observation covering all mill processes, workshop, chemicals store, waste management, boundary, workers housing, stakeholders' consultation, interview with internal & external stakeholders, workers and contractors.

SUMMARY AUDIT FINDINGS

The following items represented **positive observations** by the audit team:

1. Good commitment and support from management of Sabahmas Palm Oil mill (SMPOM), sustainability and safety and health team.
2. Documents requested were easily retrieved and available upon request.
3. Better understanding on the MS 2530-4-2013 and MSPO SCCS standard requirement.

The overall results of the audit are as follows:

- a. **NONE** – Major Nonconformity Report (NCR);
- b. **ONE (1)** – Minor Nonconformity Report (NCR); and
- c. **NONE** – Opportunity For Improvement (OFI)

**The grading of nonconformity (Major / Minor) is based on ISO/IEC 17021:2015 guidelines.*

The audit team has satisfactorily verified the corrective action plan provided by the client. The effectiveness on the action plan for the corrective action will be reviewed by NIOSH Certification's auditors during the next surveillance audit.

Review and follow-up on previous audit findings

There was ONE (1) Area of Concern (AOC) raised during Stage 1 Audit by the previous audit team. The auditee has made a preparation to further improve the management system and operations of smallholders of Sabahmas Palm Oil Mill, based on comment and verbal findings.

Stakeholders Consultation Session

Stakeholder consultation began with notification of upcoming assessment by official letter one month earlier to identified stakeholders. Emails, phone call and official letter were sent to applicable interested stakeholders. Audit team then visited some stakeholders to obtain positive / negative information or any issues in connection with Sabahmas Palm Oil Mill,.

It was started with a slide presentation by NIOSH Certification explaining about the objectives of the MSPO certification scheme and purpose of stakeholder consultation. Agenda of discussion including legal compliance, environmental protection, biodiversity conservation, safety & social responsibility and development of community. No major adverse issue been raised as consulted during the audit. All positive and negative inputs from stakeholders has been discussed with management of Sabahmas Palm Oil Mill, with proper justification and adequate action plan by the management team to address the issue.

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DETAILS OF MILL UNIT (S)

NO	NAME	ADDRESS OF MILL	MILL CAPACITY	GPS COORDINATE	TOTAL MILL AREA (HA)
1	SabahmasPalm Oil Mill	Jalan Sandakan-Telupid KM 125, Beluran, 90009 Sandakan Malaysia	60mt	Latitude: 5.6894 Longitude : 117.0926	Mill located within estate legal perimeter

MPOB LICENSE DETAILS

NO	MILL NAME	MPOB LICENSE NO.	SCOPE OF ACTIVITY	EXPIRY DATE
1	SabahmasPal m Oil Mill	517295004000	1. MenjualdanMengalih PK,CPO,SPO 2. MembelidanMengalih FFB, CPO,PPO 3. Menyimpan PK,CPO, PPO, SPO 4. Mengilang FFB 5. Mengeksport CPO	31 Dec 2019

MILL PROCESSING DATA

Supply Base	Mill Processing and Production Data Actual Previous Year (2018)			Mill Processing and Production Data Forecast Current Year (2019)		
	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)	FFB Processed (MT)	CPO Production (MT)	PK Production (MT)
Supply Base	a. 76,036.47	a. 16,603.18	a. 3,642.18	a. 80,390.00	a. 17,844.58	a. 3,858.72
a. Own Supply	b. 83,997.86	b. 18,288.29	b. 3,995.58	b. 77,540.00	b. 17,213.88	b. 3,721.92
b. Other Supply						
TOTAL	160,034.33	34,891.48	7,637.76	157,930.00	35,060.46	7,580.64
Conversion Rate		OER:21.80	KER:4.77		OER:22.2	KER:4.8

*For 2018, based on actual data

LOCATION AND MAP

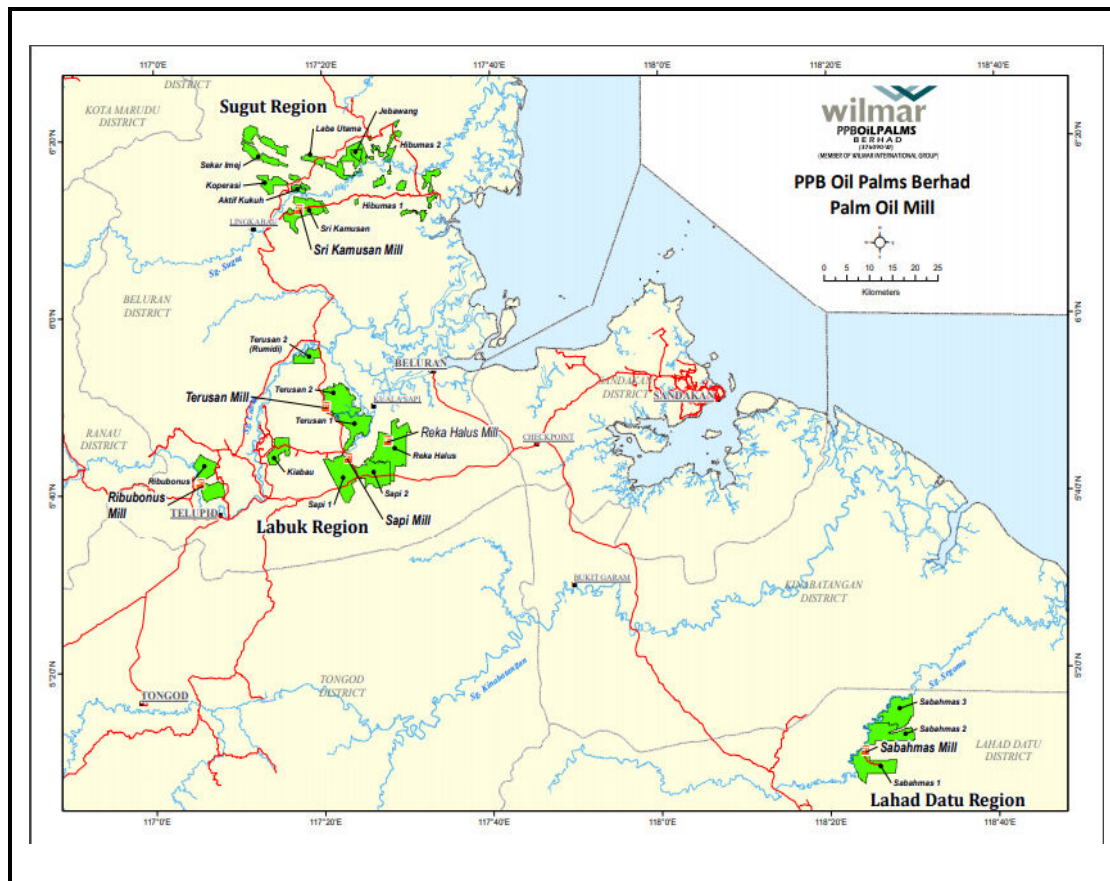


Figure 1: Location Map for the Sabahmas Palm Oil Mill in Sabah Region, Malaysia



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Others

Nil

Disclaimer

NIOSH Certification provides services which are designed to determine whether the referenced Management System of the client:

- a) complies with the relevant (mentioned) Standard; and
- b) has been properly implemented and maintained.

Audits are based on random sampling techniques and non conformances may exist which did not become apparent during the audit.

NIOSH Certification does not provide any advice on compliance with any legislation, regulation, or standards. All audit reports and other documentation provided by NIOSH Certification, are given in good faith and in reliance on the accuracy and completeness of the information provided by the client. No responsibility is accepted to any third party that may rely in whole or in part on the content of this report, to the extent permitted by Law.

- End of Audit Report -